

COMPUTER RETURNS SET RECORD; IRS OFFERS EASY FILING EXTENSIONS

WASHINGTON -- A little more than two weeks before the filing deadline, the Internal Revenue Service has already received a record number of computer-filed tax returns -- nearly 23.8 million, surpassing the 23.6 million for all of last year. People who need more time to complete their forms will find it easy to extend their filing deadline -- they don't even need an excuse. The IRS expects eight million extension requests.

You can get an extra four months to file -- until Aug. 15 -- by sending Form 4868, "Application for Automatic Extension of Time To File U.S. Individual Income Tax Return," to the IRS by the regular deadline. Or, you may choose to charge an extension-related payment for your income taxes to a credit card instead of mailing Form 4868. This credit card option will be available only through April 17.

When requesting an extension, whether by a credit card payment or Form 4868, you must estimate your total tax liability based on the available information. If the IRS later finds this estimate to be unreasonable, your extension will be null and void. You will still get credit for any payments made with the extension request.

A filing extension does not give you more time to pay any taxes owed. You may choose to pay any projected balance due with the Form 4868, but if you don't make a payment, you can still get the extension.

You can call 1-888-2PAY-TAX to charge a payment to your American Express, Discover Card or MasterCard account. When prompted, choose the Form 4868 federal tax payment option -- payment with an automatic extension request. Enter your projected tax liability as well as your payment amount -- lines 4 and 6 on Form 4868. You may also charge the balance due on your 1999 return or an estimated tax payment for 2000, but these do not give you an extension of time to file. The IRS collects no fee for credit card payments, but the credit card processor, Official Payments Corporation, does charge a convenience fee.

Taxpayers who live outside the U.S. and Puerto Rico and whose main place of work is outside the U.S. and Puerto Rico already have an extension to June 15. This also applies to those in military service outside the country. Taxpayers with this June deadline can use Form 4868 to get an additional two months to file. Merely being outside the U.S. on the April deadline does not give a person an extension to June 15.

(more)

One deadline that taxpayers cannot extend is the date to claim a 1996 refund if they have not yet filed for that year. Unless they had a filing extension in 1997, they must get such late returns to an IRS office -- not just mail them -- by Saturday, April 15.

Interest charges apply to any tax not paid by April 17. The current rate is nine percent a year, compounded daily, and is subject to change each calendar quarter. Taxpayers who request an extension may also be liable for a late payment penalty of 0.5 percent per month if the total tax paid by April 17 is less than 90 percent of the actual 1999 tax.

Form 4868 is available from the IRS Web site at www.irs.gov. Those with a fax machine may use the IRS TaxFax by calling 703-368-9694 and request Item #13141 by return fax. Form 4868 is also available at local IRS offices and many public libraries. Taxpayers needing this or any other federal tax form should act soon to be sure they have the item in time.

As of March 24, the IRS had received 63.7 million returns and sent 52.6 million refunds, totaling \$88.7 billion. The average refund was \$1,685, up six percent from this time last year.

While computer-filed returns are up 23 percent from this time last year, TeleFile continues to run nearly 10 percent behind. This leaves the e-file total -- the combination of computer and phone filings -- about 17 percent ahead of last year's pace. Taxpayers with the simplest returns are increasingly shifting from paper or phone to computer filing. If the overall trends continue, the IRS will exceed its projection of 33.6 million e-filed returns this year.

X X X

2000 FILING SEASON STATISTICS

Cumulative through the week ending 3/26/99 and 3/24/00

	<u>1999</u>	<u>2000</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	63,142,000	64,287,000	1.8
Total Processed	53,942,000	57,776,000	7.1
E-filing Receipts:			
TOTAL	23,963,000	27,995,000	16.8
TeleFile (phone)	4,682,000	4,234,000	- 9.6
Computer	19,281,000	23,761,000	23.2
Tax Professionals	17,595,000	20,462,000	16.3
Self-prepared	1,686,000	3,299,000	95.7
Refunds Certified by the Martinsburg Computing Center:			
Number	49,387,000	52,634,000	6.6
Amount of principal	\$78.489 billion	\$88.706 billion	13.0
Average refund	\$1589	\$1685	6.1
Direct Deposit Refunds:			
Number	18,908,000	22,758,000	20.4
Amount	\$39.241 billion	\$48.721 billion	24.2